

# Exhibit 42

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Research

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## Real-Time Decision-Making Applications Can Increase Revenue and Reduce Costs in the Contact Center

Gareth Herschel, Jim Davies

Applying predictive analytics and decision arbitration can drive profitable behaviors, such as better cross-sell, into the contact center. Failure to adopt this technology lowers customer profitability and satisfaction, and restricts operational effectiveness across multiple industries and types of contact centers.

### Key Findings

- Applications of real-time decision making to the contact center (more-targeted customer cross-sell and upsell recommendations and improved customer retention) can raise revenue.
- Applications of real-time decision making to the contact center (such as prescreening of customer claims, call-cause-based routing and skills-based dispatch) can reduce costs.

### Recommendations

- Don't limit the examination of real-time decisions to cross-selling and upselling. Although these are the most-common areas, other use cases are emerging to deliver return on investment (ROI) for organizations.
- Organizations should consider the decisions made during and subsequent to customer calls, as well as which of these decisions could most effectively be guided by better insights into customers' likely behaviors.

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## **ANALYSIS**

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Across many industries, the role of customer service in defining the customer experience is increasing. Therefore, the idea that analysis can be an optional bolt-on to service implementations, rather than a core element in defining the customer service process, will be unsustainable. Analysis takes many forms, but a simple distinction is the difference between analysis *of* customer service and analysis *for* customer service. Analysis of customer service focuses on metrics and performance management; analysis for customer service can deliver more-immediate business benefits.

Predictive analytics that identify likely customer behaviors and a rule engine that selects which option will yield the best results for the enterprise have been used for more than a decade; however, new use cases are continually emerging that expand the scope of the concept. The real-time analysis can be based on historical data and/or data captured during the interaction itself. There are numerous ways to capture real-time data for this analysis, such as surveying or emotion detection. (These techniques are discussed in "The Impact of Real-Time Feedback in the Contact Center.")

Organizations across various industries are using applications of this concept to deliver rapid ROI. In descending order, from the most commonly seen use cases to the least, organizations should consider the applications described in the sections that follow.

### **Customer Cross-Sell and Upsell Recommendations**

**What Is It?:** Selecting the best offer to make to a customer to grow value. In addition to the likelihood of a customer accepting the offer, the factors used to determine the "best" offer include the relative profitability of different products, the skill set and qualifications of the agent, the time required to extend the offer to the customer (to ensure that service-level objectives are met), and the mix of offers previously presented to the customer.

**Who Should Consider It?:** Any organization looking to increase customer profitability or to increase the average number of products held per customer. Typical industries adopting this technology are telecommunications and retail banking companies.

**Who Sponsors It?:** Usually marketing.

### **Customer Retention**

**What Is It?:** Identifying the offer or action most likely to result in the customer continuing the relationship. This may be the result of a particular retention offer (for example, a better deal), or it may be identifying the product characteristics that are most attractive to the customer so that they can be highlighted to dissuade the customer from ending the relationship. It may also enable the authorization of a discount, the removal of a charge or having a field engineer visit a range of other initiatives that could prevent the customer from churning. It can also enable the routing of high-churn-risk customers to a dedicated retention team when they call for any reason.

**Who Should Consider It?:** Companies with ongoing customer relationships, such as banking, brokerage, insurance, credit card and telecommunications businesses.

**Who Sponsors It?:** The team responsible for customer retention — often marketing or a specific team in customer service.

## Prescreening of Customer Claims

**What Is It?:** Using predictive analytics to estimate the likelihood that a customer call is fraudulent. This is used in insurance claims processing to estimate whether a claim is fraudulent, enabling users to "short cut" the traditional claims-processing system, saving money and improving customer satisfaction. A similar concept is being applied in emergency dispatch cases where caller requests for assistance may be hoaxes, and an extra layer of verification can be added to the call to reduce waste.

**Who Should Consider It?:** Any contact center where the call will result in expensive actions that may be based on fraud or a hoax. Insurance claims, service dispatch and warranty claim contexts are common.

**Who Sponsors It?:** The operational team that would have to expend effort that could be avoided through better call verification.

## Call-Cause-Based Routing

**What Is It?:** Using predictive analytics to identify the most likely reason for the customer to be calling, so that the call can be routed to the most-appropriate agent or a more-tailored interactive voice response (IVR) experience offered. Typical reasons for calls, which the enterprise is likely to be looking for, include customers calling to cancel their service and customers calling to report a problem with a new product.

**Who Should Consider It?:** Organizations with differentiated pools of customer service agents that don't want to rely on customer self-routing through the IVR.

**Who Sponsors It?:** Customer service.

## Skills-Based Dispatch

**What Is It?:** Selecting the appropriate resource for field service calls based on the customer's profile and problem, as well as the skills and performance of the technician. Selecting agents with the best track record of dealing with particular types of problems, based on their availability and the service-level agreement with the customer, can require sophisticated rules.

**Who Should Consider It?:** Organizations with field service dispatch requirements that work with a variety of field service resources that have dissimilar levels of performance.

**Who Sponsors It?:** Field service dispatch organization.

A variety of vendors (see Note 1) provide functionality to enable these types of applications. Increasingly, these vendors are offering applications packaged to enable particular use cases, although, in most cases, their solutions can be modified to support a combination of objectives.

### Note 1

#### Sample Vendors Providing Real-Time Decision-Making Capabilities

Chordiant Software

Convergys

Infor (via Epiphany acquisition)

Oracle (via Sigma Dynamics acquisition)

AASHTOWare (Pontis)

Portrait Software

SAS

SPSS

ThinkAnalytics

This research is part of a set of related research pieces. See "The Future of the Contact Center: Service Is Key to Customer Strategy" for an overview.

## **REGIONAL HEADQUARTERS**

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**Corporate Headquarters**

56 Top Gallant Road  
Stamford, CT 06902-7700  
U.S.A.  
+1 203 964 0096

**European Headquarters**

Tamesis  
The Glanty  
Egham  
Surrey, TW20 9AW  
UNITED KINGDOM  
+44 1784 431611

**Asia/Pacific Headquarters**

Gartner Australasia Pty. Ltd.  
Level 9, 141 Walker Street  
North Sydney  
New South Wales 2060  
AUSTRALIA  
+61 2 9459 4600

**Japan Headquarters**

Gartner Japan Ltd.  
Aobadai Hills, 6F  
7-7, Aobadai, 4-chome  
Meguro-ku, Tokyo 153-0042  
JAPAN  
+81 3 3481 3670

**Latin America Headquarters**

Gartner do Brazil  
Av. das Nações Unidas, 12551  
9º andar—World Trade Center  
04578-903—São Paulo SP  
BRAZIL  
+55 11 3443 1509